



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



In Reply Refer to:
3105 (F01100)
NMNM130812X

R-14347

JUL 17 2018 10:09:25

JUL 13 2018

Enduring Resources, LLC
Attn: Paul Brooke
511 16th Street, Suite 700
Denver, CO 80202

Dear Mr. Brooke:

The South Escavada Unit Agreement, located in Sandoval County, New Mexico is approved July 13, 2018 and is effective July 13, 2018. This agreement has been assigned case recordation number NMNM130812X. The basic information associated to this unit is as follows:

1. This is an Undivided Unit and only the Mancos Formation is unitized.
2. This unit includes Federal and Indian Allotted mineral estates.
3. The leases committed to the South Escavada Unit will not be horizontally segregated.
4. The South Escavada Unit #352H is the initial obligation well. The surface hole location is located in the SW/4 NW/4, Section 26, T.22 N., R.7 W., Sandoval County, New Mexico.
5. The following Federal leases contain lands both inside and outside the South Escavada Unit and are subject to segregation provisions pursuant to 43 CFR 3107.3-2, Segregation of leases committed in part:
 - a. NMNM 0554433 Held By Actual Production
 - b. NMNM 08899 Held By Actual Production
 - c. NMNM 21455 Held By Actual Production

The South Escavada Unit embraces 4,723.82 acres more or less, of which 3,362.42 acres (71.18%) are Indian allotted lands and 1,361.40 acres (28.82%) are Federal lands. All lands embraced within the South Escavada Unit are fully committed.

In view of the foregoing commitment status, effective control of the unit area has been established. We are of the opinion that this agreement is in the public interest and for the purpose of more properly conserving natural resources.

In accordance with Article 9 of the Unit Agreement, the South Escavada Unit #352H well will be drilled as the initial obligation well. The public interest requirement for the South Escavada Unit

agreement has been satisfied. Pursuant to the subsequent drilling obligations of Section 10 of the unit agreement, a Plan of Development is required to be filed yearly.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Copies of the following agreement components are being distributed to the appropriate Federal and State agencies:

- 1) Exhibit "A" Map
- 2) Exhibit "B" Lease Schedule showing percentage & kind of ownership
- 3) Working Interest Ratification & Joinders (Including Tract list with TPR & Commitments)
- 4) Overriding Royalty Interest Ratification & Joinders
- 5) State of New Mexico Oil Conservation Division Order R-14347

You are requested to furnish all interested parties with appropriate evidence of this approval.

Sincerely,



Richard A. Fields
Farmington Field Office Manager

cc: Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division (NMOCD)
Office of Natural Resources Revenue (ONRR)
Federal Indian Minerals Office (FIMO)

South Escavada Unit Approval Certification-Determination Page

CERTIFICATE-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, Under the Act approved February 25, 1920, 41 Stat., 437 as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3180, I do hereby certify:

- A. Approve the attached agreement for the development and operation of the South Escavada Unit Area, Sandoval County, New Mexico. This approval shall be considered invalid, ab initio if the public interest requirement under 3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: July 13, 2018

Effective: July 13, 2018



Richard A. Fields
Farmington Field Office Manager
Bureau of Land Management

Contract No. NMNM130812X